GOVERNMENT OF INDIA
INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2635
ANSWERED ON:05.12.2001
SLASH OF I.T. PRODUCTION
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Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Union Government have decided to slash I.T. production target for current financial year;

(b) if so, the details thereof and the reasons therefor; and

(c) the extent to which export is likely to be affected ?

Answer

MINISTER OF PARLIAMENTARY AFFAIRS, INFORMATION TECHNOLOGYAND COMMUNICATIONS(SHRI PRAMOD MAHAJAN)

(a) and (b): The IT production targets and likely achievements for the year 2000-2001 are as follow:
(Rs. Crores)

Sector	Plan Target	Likely Achievement
Hardware	82,050	34,400
Software	1,38,350	56,900

This has been due to a domestic-centric approach of Indian manufacturing sector coupled with a protected environment, infrastructural handicaps, high cost of finance, rigid labour laws, low volumes of production, low velocity of business, high tariffs and inverted tariff structure, nonavailability ofindigenous capital goods, lack of global stardom new investments, etc.

(c): Though, there has been a decline in the rate of growth of software exports as a result of slowdown in the world economy the rate of growth of IT sector is way ahead of the rest of the Indian industry. During the first half of the current year, software exports have grown by 33% as against last year`s annual growth of 55%.